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Exhibit 10.6

**FORM OF
TAX SHARING AGREEMENT
BETWEEN
LIBERTY MEDIA CORPORATION
AND
DISCOVERY HOLDING COMPANY
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TAX SHARING AGREEMENT

THIS TAX SHARING AGREEMENT (this "Agreement") is entered into as of [], 2005, between Liberty Media Corporation, a Delaware corporation ("LMC"), and Discovery Holding Company, a Delaware corporation ("DHC"). Capitalized terms used in this Agreement are defined herein. Unless otherwise indicated, all "Section" references in this Agreement are to sections of this Agreement.

RECITALS

WHEREAS, DHC is a direct wholly owned subsidiary of LMC; and

WHEREAS, the Board of Directors of LMC has determined that it would be appropriate and desirable for LMC to separate the DHC Group from the LMC Group; and

WHEREAS, the Board of Directors of DHC has also approved such transaction; and

WHEREAS, following the contribution of certain assets to DHC, LMC intends to distribute its entire interest in the stock of DHC to LMC's shareholders, pro rata, in what is intended to qualify as a tax-free reorganization described under Sections 368(a)(1)(D) and 355 of the Code or any corresponding provisions of any successor statute and that as a result of such transaction, DHC and its eligible Subsidiaries will cease to be members of the LMC Consolidated Group; and

WHEREAS, the parties set forth in a Reorganization Agreement the principal arrangements between them regarding the separation of the DHC Group from the LMC Group; and

WHEREAS, the parties desire to provide for and agree upon the allocation between the parties of liabilities for Taxes arising prior to, as a result of, and subsequent to the Contribution and Distribution, and to provide for and agree upon other matters relating to Taxes;

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below, the parties hereto agree as follows:

SECTION 1. Definition of Terms. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

"Adjustment" means the deemed increase in a Tax, determined using the assumptions set forth in the next sentence, resulting from an adjustment made with respect to any amount reflected or required to be reflected on any Tax Return relating to such Tax. For purposes of determining such deemed increase in Tax, the following assumptions will be used: (a) the relevant party is, in the case of any Income Tax, subject to the highest applicable marginal Tax rate or, in the case of any other Tax, subject to the highest applicable Tax rate, in each case in effect with respect to that Tax for the Tax period to which the adjustment relates; (b) such determination shall be made without regard to whether any actual increase (or the full increase) in such Tax will in fact be realized with respect to the Tax Return to which such adjustment relates (as a result, for example, of losses, credits, or other offsets against Tax); (c) such determination shall take into account any actual increase in Tax comprising interest or penalties; and (d) in the case of any amount reflected or required to be reflected on an original Tax Return (as opposed to any amended Tax Return) relating to such Tax, the amount of the adjustment shall be determined based upon the change to any amount that otherwise would have been reflected or would have been required to be reflected on such Tax Return if none of the covenants set forth in Section 9.1 had been breached.

"Agreement" has the meaning set forth in the first paragraph hereof.

"AT&T Tax Sharing Agreement" means the Tax Sharing Agreement dated as of March 9, 1999, as amended, by and among AT&T Corp., LMC, for itself and each member of the Liberty Group (as defined therein), Tele-Communications, Inc., Liberty Ventures Group LLC, Liberty Media Group LLC, TCI Starz, Inc., TCI CT Holdings, Inc., each Covered Entity (as defined therein) listed on the signature pages thereof, and any entities which became parties thereto pursuant to Section 23 thereof.

"AT&T TSA Liabilities" means any obligation or liability to make any payment to AT&T Corp. or any member of the Common Stock Group (as defined in the AT&T Tax Sharing Agreement) or to any Tax Authority pursuant to the terms of the AT&T Tax Sharing Agreement.

"Carryback" means any net operating loss, net capital loss, tax credit or other similar Tax item which may or must be carried from one Tax Year to a prior Tax Year under applicable Tax Law.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor law.

"Combined Return" means any State or Foreign Income Tax Return that includes one or more members of the LMC Group and one or more members of the DHC Group or in which income, deductions, or credits of any member of the LMC Group may be combined with, or offset against, income, deductions, or credits of any member of the DHC Group.

"Combined Year" means, with respect to any State Income Tax or Foreign Income Tax, as applicable, any Tax Year for which a Combined Return is filed; *provided, however*, that Combined Year means only that portion of such Tax Year in which one or more members of the DHC Group are included in the Combined Return.

"Company" means LMC or DHC or one of their Subsidiaries, as the context requires.

"Consolidated Return" means any Federal Income Tax Return that is filed on a consolidated basis and includes one or more members of the LMC Group and one or more members of the DHC Group.

"Consolidated Year" means, with respect to any Federal Income Tax, any Tax Year for which a Consolidated Return is filed; *provided, however*, that Consolidated Year means only that portion of such Tax Year in which one or more members of the DHC Group are included in the Consolidated Return.

"Contribution" means the contribution by Liberty Programming Company LLC, a Delaware limited liability company that is treated as a disregarded entity of LMC for U.S. federal income tax purposes, of all of the outstanding stock of Ascent Media Holdings, Inc., a Delaware corporation formerly known as Ascent Media Debt, Inc., LMC Discovery, Inc., a Colorado corporation, and Liberty Animal, Inc., a Delaware corporation to DHC in exchange for shares of DHC stock.

"Cox" means Cox Communications Holdings, Inc., a Delaware corporation and includes any successor entity.

"DHC" has the meaning set forth in the first paragraph hereof and includes any predecessor or successor entity.

"DHC Asset Successor" has the meaning set forth in Section 10.8.

"DHC Group" means DHC, all Persons that are Subsidiaries of DHC immediately after the Distribution, and Persons that become Subsidiaries of DHC thereafter; *provided, however,*

(a) if any Person that is a member of the DHC Group becomes a Subsidiary of LMC at any time after the Distribution, such Person will not be treated as a member of the DHC Group with respect to any Tax Year or portion thereof beginning after the date such Person becomes a Subsidiary of LMC; and

(b) if any Person that is a member of the LMC Group becomes a Subsidiary of DHC at any time after the Distribution, such Person will only be treated as a member of the DHC Group with respect to any Tax Year or portion thereof beginning after the date such Person becomes a Subsidiary of DHC; and

(c) during any Tax Year or portion thereof beginning immediately after the Distribution that any Person is both a Subsidiary of LMC and a Subsidiary of DHC, such Person shall be a member of the DHC Group.

"DHC Indemnitees" has the meaning set forth in Section 10.3.

"DHC Successors" has the meaning set forth in Section 10.8.

"DHC Successor Entity" has the meaning set forth in Section 10.8.

"DHC Successor Parent" has the meaning set forth in Section 10.8.

"Distribution" means the distribution by LMC, pro rata, to its Series A common stockholders of all of its DHC Series A common stock, and to its Series B common stockholders of all of its DHC Series B common stock.

"Distribution Date" means the date on which the Distribution occurs.

"Federal Income Tax" means any Income Tax imposed by the United States federal government (including, without limitation, the Taxes imposed by Sections 11, 55, 59A and 1201(a) of the Code).

"Federal Income Tax Return" means any report of Federal Income Taxes due, any claims for refund of Federal Income Taxes paid, any information return with respect to Federal Income Taxes, or any other similar report, statement, declaration, or document required to be filed under U.S. federal income Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Foreign Country" means any country other than the United States.

"Foreign Income Tax" means any Income Tax imposed by any Foreign Country or any possession of the United States or by any political subdivision of any Foreign Country or possession of the United States.

"Group" means the LMC Group or the DHC Group, as the context requires.

"Income Tax" means all Taxes (i) based upon, measured by, or calculated with respect to, net income, net profits or deemed net profits (including, without limitation, any capital gains Tax, minimum Tax based upon, measured by, or calculated with respect to, net income, net profits or deemed net profits, any Tax on items of Tax preference and depreciation recapture or clawback, but not including sales, use, real or personal property, gross or net receipts, gross profits, transfer and similar Taxes), (ii) imposed by a Foreign Country which qualify under Section 903 of the Code or (iii) based upon, measured by, or calculated with respect to multiple bases (including, but not limited to, corporate franchise and occupation Taxes) if such Taxes may be based upon, measured by, or calculated with respect to one or more bases described in clause (i) above. Notwithstanding the above, the Taxes described in clause (iii) shall be considered Income Taxes only to the extent that such Taxes exceed the hypothetical amount of such Taxes that would have been imposed had all of the bases described in clause (i) on which such Taxes are based, measured, or calculated been equal to zero.

"IRS" means the Internal Revenue Service.

"IRS Submission" means the Ruling Request and any supplemental materials submitted to the IRS relating thereto.

"LMC" has the meaning set forth in the first paragraph hereof and includes any predecessor or successor entity.

"LMC Consolidated Group" means LMC and its eligible Subsidiaries (as determined under Section 1504(a) of the Code or any successor provision) that file a Federal Income Tax Return on a consolidated basis.

"LMC Group" means LMC, all Persons that are Subsidiaries of LMC immediately after the Distribution, and Persons that become Subsidiaries of LMC thereafter; *provided, however*,

(a) if any Person that is a member of the LMC Group becomes a Subsidiary of DHC at any time after the Distribution, such Person will not be treated as a member of the LMC Group with respect to any Tax Year or portion thereof beginning after the date such Person becomes a Subsidiary of DHC; and

(b) if any Person that is a member of the DHC Group becomes a Subsidiary of LMC at any time after the Distribution, such Person will only be treated as a member of the LMC Group with respect to any Tax Year or portion thereof beginning after the date such Person becomes a Subsidiary of LMC; and

(c) during any Tax Year or portion thereof beginning immediately after the Distribution that any Person is both a Subsidiary of LMC and a Subsidiary of DHC, such Person shall not be a member of the LMC Group.

"LMC Indemnitees" has the meaning set forth in Section 9.2

"Long Position" means, with respect to shares of capital stock or other equity interests of a Person, any security, instrument, agreement or arrangement (including any "derivative security" within the meaning of Rule 16a-1(c) under the Securities Exchange Act of 1934, as amended), the value of which (a) is determined principally by reference to such shares or interests and (b) fluctuates in the same direction, as opposed to the opposite direction, as the value of such shares or interests; and a "Long Position" includes, without limitation, stock appreciation rights, phantom shares or phantom equity interests or other similar rights with respect to such shares or interests; a forward contract to purchase such shares or interests; an equity future with respect to such shares or interests; a swap agreement pursuant to which a person acquires any economics of ownership in such shares or interests; rights under a Call Equivalent Position (defined below) with respect to such shares or interests; obligations under a short Put Equivalent Position (defined below) with respect to such shares or interests; or any similar transaction which has the effect of any of the foregoing. For purposes hereof, the term "Call Equivalent Position" shall mean a derivative security position that increases in value as the value of the underlying security increases. For purposes hereof, the term "Put Equivalent Position" shall mean a derivative security position that increases in value to the holder thereof, as opposed to the obligee thereon, as the value of the underlying security decreases.

"Losses" means any and all damages, losses, deficiencies, liabilities, obligations, penalties, judgments, settlements, claims, payments, fines, interest, costs and expenses (including, without limitation, the costs and expenses of any and all actions and demands, assessments, judgments, settlements and compromises relating thereto and the costs and expenses of attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder), including direct and consequential damages.

"Newhouse" means Advance/Newhouse Programming Partnership, a New York general partnership and includes any successor entity.

"Other Return" means any Tax Return which is not a Federal, State, or Foreign Income Tax Return.

"Other Tax" means any Tax that is not an Income Tax.

"Payment Date" means (x) with respect to any Consolidated Return, the due date for any required installment of estimated taxes determined under Code Section 6655, the due date (determined without regard to extensions) for filing the return determined under Code Section 6072, and the date the return is filed, and (y) with respect to any Combined Return, Separate Return, or Other Return the corresponding dates determined under the applicable Tax Law.

"Payment Period" has the meaning set forth in Section 5.3.

"Person" means any individual, corporation, company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind, and for the avoidance of doubt, includes any predecessor or successor entity of any

of the foregoing.

"Reorganization Agreement" means the Reorganization Agreement dated June 1, 2005, between LMC, DHC and Ascent Media Group, Inc., a Delaware corporation.

"Ruling" means the private letter ruling to be obtained by LMC from the IRS in connection with the Contribution and the Distribution.

"Ruling Request" means the request submitted to the IRS for the Ruling and any other ruling in connection with the Contribution and the Distribution that LMC deems to be appropriate.

"Separate Return" means any Federal, State, or Foreign Income Tax Return which is not a Consolidated Return or Combined Return.

"Separate Return Year" means, with respect to any Federal Income Tax, State Income Tax or Foreign Income Tax, as applicable, a Tax Year or portion thereof which is not a Consolidated Year or Combined Year.

"State Income Tax" means any Income Tax imposed by any State of the United States (or the District of Columbia) or by any political subdivision of any such State (or the District of Columbia).

"Subsidiary" means, as to any Person, any other Person of which at least (i) 50 percent of the total voting power or (ii) 50 percent of the total value of the equity of such other Person is owned, directly or by attribution under the principles of Section 318 of the Code, by such first Person.

"Tax" or "Taxes" means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, ad valorem, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other similar tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any Tax Authority and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Tax Authority" means, with respect to any Tax, the governmental entity or political subdivision, agency, commission or authority thereof that imposes such Tax, and the agency, commission or authority (if any) charged with the assessment, determination or collection of such Tax for such entity or subdivision.

"Tax Benefit" means a reduction in the Tax liability of a taxpayer, including a refund of Taxes previously paid.

"Tax Contest" means an audit, review, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes of any member of either Group (including any administrative or judicial review of any claim for refund).

"Tax Counsel" means Skadden, Arps, Slate, Meagher & Flom LLP, special tax counsel to LMC.

"Tax Item" means, with respect to any Income Tax, any item of income, gain, loss, deduction, credit or other attribute that may have the effect of increasing or decreasing any Tax.

"Tax Law" means the law of any governmental entity or political subdivision thereof, and any controlling judicial or administrative interpretations of such law, relating to any Tax.

"Tax Materials" means (i) the Ruling and any other rulings issued by the IRS in connection with the Contribution and the Distribution, (ii) the Tax Opinion, (iii) each IRS Submission, (iv) the representation letters relating to the Tax Opinion, and (v) any other materials delivered or deliverable by LMC and others in connection with the rendering by Tax Counsel of the Tax Opinion and the issuance by the IRS of the Ruling and such other rulings.

"Tax Opinion" means the opinion to be delivered by Tax Counsel to LMC in connection with the Contribution and the Distribution to the effect that the Contribution and the Distribution will qualify as a tax-free reorganization described under Sections 368(a)(1)(D) and 355 of the Code to LMC and the LMC shareholders (except, in the case of the LMC shareholders, with respect to cash received in lieu of fractional shares of DHC stock).

of the Code) or under any record retention agreement with any Tax Authority.

"Tax-Related Party" means, with respect to any Person, (i) any Person related to such first Person within the meaning of Section 267(b) or Section 707(b)(1) of the Code, as determined by taking into account the applicable attribution rules set forth in Section 3536(e)(4)(C)(ii) of the Code; and (ii) any Person acting as an agent for or at the behest of such first Person or any Person described in clause (i).

"Tax Return" means any report of Taxes due, any claims for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document required to be filed under any applicable Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Tax Year" means, with respect to any Tax, the year, or shorter period, if applicable, for which the Tax is reported as provided under applicable Tax Law.

"Third Party Claim" has the meaning set forth in Section 9.3(a).

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Year.

SECTION 2. Allocation of Income Tax Liabilities.

2.1 *Federal Income Taxes.* Except as provided in Section 2.5, liability for Federal Income Taxes shall be allocated as follows:

(a) *Taxes Reported on Consolidated Returns.* The LMC Group shall be liable for, and LMC shall pay, or cause the appropriate member of the LMC Group to pay, all Federal Income Taxes that are attributable to members of the LMC Group and the DHC Group and reported on, or required to be reported on, a Consolidated Return.

(b) *Taxes Reported on Separate Returns.* The DHC Group shall be liable for, and DHC shall pay, or cause the appropriate member of the DHC Group to pay, all Federal Income Taxes that are attributable to members of the DHC Group and reported on, or required to be reported on, a Separate Return, and the LMC Group shall be liable for, and LMC shall pay, or cause the appropriate member of the LMC Group to pay, all Federal Income Taxes that are attributable to members of the LMC Group and reported on, or required to be reported on, a Separate Return.

2.2 *State Income Taxes.* Except as provided in Section 2.5, liability for State Income Taxes shall be allocated as follows:

(a) *Taxes Reported on Combined Returns.* The LMC Group shall be liable for, and LMC shall pay, or cause the appropriate member of the LMC Group to pay, all State Income Taxes that are attributable to members of the LMC Group and the DHC Group and reported on, or required to be reported on, a Combined Return.

(b) *Taxes Reported on Separate Returns.* The DHC Group shall be liable for, and DHC shall pay, or cause the appropriate member of the DHC Group to pay, all State Income Taxes that are attributable to members of the DHC Group and reported on, or required to be reported on, a Separate Return, and the LMC Group shall be liable for, and LMC shall pay, or cause the appropriate member of the LMC Group to pay, all State Income Taxes that are attributable to members of the LMC Group and reported on, or required to be reported on, a Separate Return.

2.3 *Foreign Income Taxes.* Except as provided in Section 2.5, liability for Foreign Income Taxes shall be allocated as follows:

(a) *Taxes Reported on Combined Returns.* The LMC Group shall be liable for, and LMC shall pay, or cause the appropriate member of the LMC Group to pay, all Foreign Income Taxes that are attributable to members of the LMC Group and the DHC Group and reported on, or required to be reported on, a Combined Return.

(b) *Taxes Reported on Separate Returns.* The DHC Group shall be liable for, and DHC shall pay, or cause the appropriate member of the DHC Group to pay, all Foreign Income Taxes that are attributable to members of the DHC Group and reported on, or required to be reported on, a Separate Return, and the LMC Group shall be liable for, and LMC shall pay, or cause the appropriate member of the LMC Group to pay, all Foreign Income Taxes that are attributable to members of the LMC Group and reported on, or required to be reported on, a Separate Return.

2.4 *Other Taxes.* The DHC Group shall be liable for, and DHC shall pay, or cause the appropriate member of the DHC Group to pay, any Other Tax attributable to members of the DHC Group, and the LMC Group shall be liable for, and LMC shall pay, or cause the appropriate member of the LMC Group to pay, any Other Tax attributable to members of the LMC Group.

2.5 *Special Rules.*

(a) *AT&T Tax Sharing Agreement.* Notwithstanding any other provision in this Section 2, LMC shall be liable for, and shall indemnify and hold harmless each member of the DHC Group from and against, any AT&T TSA liabilities.

(b) *Adjustments Resulting from a Breach of the Restrictive Covenants.* Notwithstanding any other provision in this Section 2, DHC shall be liable for, and shall indemnify and hold harmless each member of the LMC Group from and against, any Adjustments resulting from any breach by DHC or any other member of the DHC Group of any of the covenants set forth in Section 9.1 hereof.

2.6 *Tax Payments.* Each party shall pay the Taxes or Adjustments allocated to it by this Section 2 either to the applicable Tax Authority or to the other appropriate party in accordance with Section 5.

SECTION 3. Preparation and Filing of Tax Returns.

3.1 *Combined Returns and Consolidated Returns.*

(a) *Preparation by LMC.* LMC shall be responsible for preparing and filing (or causing to be prepared and filed) all Consolidated Returns and Combined Returns (other than any Consolidated Returns or Combined Returns which are prepared by AT&T in accordance with the AT&T Tax Sharing Agreement).

(b) *Provision of Information and Assistance by DHC.*

(i) *Information with Respect to Final Returns.* DHC shall provide LMC with all information necessary for the LMC Group to properly and timely file all Consolidated Returns and Combined Returns. In the event that DHC fails to provide information in the form and within the time period reasonably requested by LMC to permit the timely filing of any Consolidated Return or Combined Return, then notwithstanding any other provision of this Agreement, DHC shall be liable for, and shall indemnify and hold harmless each member of the LMC Group from and against, any penalties, interest, or other payment obligation assessed against any member of the LMC Group or the DHC Group by reason of a delay in filing such return. If DHC provides information in the form and within the time period reasonably requested by LMC to permit the timely filing of a particular Consolidated Return or Combined Return, then notwithstanding any other provision of this Agreement, the LMC Group shall be liable for, and LMC shall indemnify and hold harmless each member of the DHC Group from and against, any penalties, interest, or other payments assessed against any member of the LMC Group or the DHC Group by reason of delay in filing such return.

(ii) *Information with Respect to Estimated Payments and Extension Payments.* DHC shall provide LMC with all information relating to members of the DHC Group which LMC needs to determine the amount of Taxes due on any Payment Date. The indemnification principles of Section 3.1(b)(i) shall apply with respect to any penalties, interest, or other payments assessed against any member of the LMC Group or the DHC Group by reason of a delay in paying the Taxes due on any Payment Date.

(iii) *Assistance.* At the request of LMC, DHC shall take (at its own cost and expense), and shall cause the members of the DHC Group to take (at their own cost and expense), any reasonable action (e.g., filing a ruling request with the relevant Tax Authority or executing a power of attorney) that is reasonably necessary in order for LMC, or any other member of the LMC Group, to prepare, file, amend or take any other action with

respect to any Consolidated Return or Combined Return.

3.2 *Separate Returns and Other Returns.*

(a) *Tax Returns to be Prepared by LMC.* LMC shall be responsible for preparing and filing (or causing to be prepared and filed) all Separate Returns and Other Returns which relate solely to one or more members of the LMC Group for any Tax Year.

(b) *Tax Returns to be Prepared by DHC.* DHC shall be responsible for preparing and filing (or causing to be prepared and filed) all Separate Returns and Other Returns which relate solely to one or more members of the DHC Group for any Tax Year. In preparing such Separate Returns and Other Returns,

(i) DHC may not take (and shall cause the members of the DHC Group not to take) any positions that it knows, or reasonably should know, would adversely affect any member of the LMC Group; and

(ii) DHC and the other members of the DHC Group must (x) allocate Tax Items between a Separate Return Year and any related Consolidated Year or Combined Year that is part of the same Tax Year in a manner that is consistent with the reporting of such Tax Items on the related Consolidated Return or Combined Return and (y) make any applicable elections required under Treasury Regulations Section 1.1502-76(b)(2), or any other applicable Tax Law, necessary to effect such allocation.

(c) *Provision of Information.* LMC shall provide to DHC, and DHC shall provide to LMC, any information about members of the LMC Group or the DHC Group, respectively, which the party receiving such information needs to properly and timely file all Separate Returns and Other Returns pursuant to Section 3.2(a) or (b).

3.3 *Special Rules Relating to the Preparation of Tax Returns.*

(a) *General Rule.* Except as otherwise provided in this Agreement, the party responsible for filing (or causing to be filed) a Tax Return pursuant to Sections 3.1 or 3.2 shall have the exclusive right, in its sole discretion, with respect to such Tax Return to determine (1) the manner in which such Tax Return shall be prepared and filed, including the elections, methods of accounting, positions, conventions and principles of taxation to be used and the manner in which any Tax Item shall be reported, (2) whether any extensions may be requested, (3) whether an amended Tax Return shall be filed, (4) whether any claims for refund shall be made, (5) whether any refunds shall be paid by way of refund or credited against any liability for the related Tax and (6) whether to retain outside firms to prepare or review such Tax Return.

(b) *Election to File Consolidated Returns or Combined Returns.* LMC shall have the sole discretion of filing any Consolidated Return or Combined Return, if the filing of such return is elective under the relevant Tax Law.

3.4 *Reliance on Exchanged Information.* If a member of the DHC Group supplies information to a member of the LMC Group, or a member of the LMC Group supplies information to a member of the DHC Group, and an officer of the requesting member intends to sign a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then a duly authorized officer of the member supplying such information shall certify, to the best of such officer's knowledge, the accuracy and completeness of the information so supplied.

SECTION 4. Tax Benefits, Refunds, and Carrybacks.

4.1 *Tax Benefits Resulting from Carrybacks.*

(a) *Filing Claims and Making Payments for Carrybacks.* If the DHC Group generates a Carryback to a Consolidated Year or Combined Year, then, upon the request of DHC, LMC may, in its sole discretion, file a claim for refund arising from such Carryback and pay such refund to DHC in accordance with Section 5.2(a).

(b) *Adjustment of Tax Items.* In the event that a Carryback by the DHC Group to a Consolidated Year or Combined Year increases the amount of Taxes for which LMC is otherwise liable under this Agreement, the amount of the refund to which the DHC Group shall be entitled to receive, in accordance with Section 5.2(a), shall be net of LMC's increased liability.

4.2 *Other Tax Benefits.* Except as provided in this Section 4 or in Section 5, neither LMC nor DHC shall be obligated to reimburse the other for any Tax Benefit received either before or after the Distribution.

SECTION 5. Tax Payments.

5.1 *Indemnification Payments.* If any member of one Group is required to make a payment to a Tax Authority for any Taxes or Adjustments for which a Company belonging to the other Group is wholly or partially liable under this Agreement, the Company which is liable for such Taxes or Adjustments under this Agreement will remit all amounts for which it is liable to the appropriate other Company within thirty days after receiving notification requesting such amount.

5.2 *Payment of Refunds.*

(a) *Refund Received by LMC Group.* If a member of the LMC Group receives a Tax refund with respect to Taxes for which a member of the DHC Group is liable hereunder or receives a Tax Benefit for which DHC is entitled to reimbursement hereunder, LMC shall pay to DHC, within thirty days following the receipt of the Tax refund or Tax Benefit, an amount equal to such Tax refund or Tax Benefit. Unless specified otherwise in this Agreement, a Tax Benefit or Tax refund will be considered received for purposes of this Agreement at the time the Tax Return is filed with respect to such Tax Benefit or Tax refund.

(b) *Refund Received by DHC Group.* If a member of the DHC Group receives a Tax refund with respect to Taxes for which a member of the LMC Group is liable hereunder, DHC shall pay to LMC, within thirty days after the receipt of the Tax refund, an amount equal to such Tax refund.

5.3 *Interest on Late Payments.* Payments pursuant to this Agreement that are not made within the period prescribed in this Agreement or, if no period is prescribed, within fifteen business days after demand for payment is made (the "Payment Period") shall bear interest for the period from and including the date immediately following the last date of the Payment Period through and including the date of payment at a per annum rate equal to the "annualized six month LIBOR rate" plus seventy-five basis points. Unless the parties otherwise agree, the annualized six month LIBOR rate used shall be the per annum rate for deposits in U.S. dollars for a six-month period that appears on Bridge's Telerate Service display at page 3750 (or such other page as may replace such page) as of 11:00 A.M. London time on the last day of the Payment Period. Such interest will be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

5.4 *Initial Determinations and Subsequent Adjustments.* The initial determination of the amount of any payment that one Company is required to make to another under this Agreement shall be made on the basis of the Tax Return as filed, or, if the Tax to which the payment relates is not reported in a Tax Return, on the basis of the amount of Tax initially paid to the Tax Authority. Payments will be made, as appropriate, if as a result of an audit by a Tax Authority or for any other reason (x) additional Taxes to which such determination relates are subsequently paid, (y) a refund of such Taxes or a Tax Benefit relating to such Taxes is received, or (z) the amount or character of any Tax item is adjusted or redetermined. Each payment required by the immediately preceding sentence (i) as a result of a payment of additional Taxes will be due thirty days after the date on which the additional Taxes were paid or, if later, fifteen days after the date of a request from the other Company for the payment, (ii) as a result of the receipt of a refund or Tax Benefit will be due thirty days after the refund or Tax Benefit was received, or (iii) as a result of an adjustment or redetermination of the amount or character of a Tax item will be due thirty days after the date on which the final action resulting in such adjustment or redetermination is taken by a Tax Authority or other Company. If a payment is made as a result of an audit by a Tax Authority which does not conclude the matter, further adjusting payments will be made, as appropriate, to reflect the outcome of subsequent administrative or judicial proceedings. Nothing in this Agreement shall obligate LMC to compensate DHC with respect to an adjustment to any Tax item on any Separate Return of any members of the DHC Group or LMC Group that results from an adjustment to any Tax item on a Consolidated Return or Combined Return.

5.5 *Tax Consequences of Payments.* For all Tax purposes and to the extent permitted by applicable Tax Law, the parties hereto shall treat any payment made pursuant to this Agreement as a capital contribution or a distribution, as the case may be, immediately prior to the Distribution Date and, accordingly, as not includible in the taxable income of the recipient (or any of the members of its Group). Notwithstanding the immediately preceding sentence, if any such payment (or portion thereof) causes, directly or indirectly, an increase in the taxable income of the recipient (or any of the members of its Group) under one or more applicable Tax Laws, the payor's payment obligation (or portion thereof) under this Agreement shall be grossed up to take into account the deemed Taxes owed by the recipient (or any of the members of its Group). For purposes of the immediately preceding sentence, the grossed-up amount equals a fraction, the numerator of which is the original payment obligation (or portion thereof), and the denominator of which is 1.0 minus the sum of the highest marginal tax rates

of each applicable Tax Law under which such payment causes an increase in the taxable income of the recipient (or any of the members of its Group).

SECTION 6. Assistance and Cooperation. The parties will cooperate (and cause their respective affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters, including provision of relevant documents and information in their possession and making available to each other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Companies or their affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes. Any information or documents provided under this Agreement shall be kept confidential by the Company receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. However, the preceding sentence shall not be construed to prevent the sharing of information by the parties with their respective legal advisors.

SECTION 7. Tax Records.

7.1 Retention of Tax Records. Each of the parties shall preserve, and shall cause its affiliates to preserve, all Tax Records that are in their possession, and that could affect the liability of any member of the other Group for Taxes, for so long as the contents thereof may become material in the administration of any matter under applicable Tax Law, but in any event until the later of (x) the expiration of any applicable statutes of limitation, as extended, and (y) seven years after the Distribution Date.

7.2 Access to Tax Records. DHC shall make available, and cause its Subsidiaries to make available, to members of the LMC Group for inspection and copying all Tax Records in their possession that relate to Tax Years beginning on or before the Distribution Date. LMC shall make available, and cause its Subsidiaries to make available, to members of the DHC Group for inspection and copying that portion of any Tax Record in their possession that relates to Tax Years beginning on or before the Distribution Date and which is reasonably necessary for the preparation of a Separate Return or Other Return of a member of the DHC Group or with respect to an audit or litigation by a Tax Authority of such return.

SECTION 8. Tax Contests.

8.1 Notices. Each of the parties shall provide prompt notice to the other party of any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware relating to Taxes or Adjustments for which it is or may be indemnified by the other party hereunder. Such notice shall contain factual information (to the extent known) describing any asserted Tax liability or Adjustment in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. If (1) an indemnified party has knowledge of an asserted Tax liability or Adjustment with respect to a matter for which it is to be indemnified hereunder, (2) such party fails to give the indemnifying party prompt notice of such asserted Tax liability or Adjustment, and (3) the indemnifying party has the right, pursuant to Section 8.2(a), to control the Tax Contest relating to such Tax liability or Adjustment, then (x) if the indemnifying party is precluded from contesting the asserted Tax liability or Adjustment in any forum as a result of the failure to give prompt notice, the indemnifying party shall have no obligation to indemnify the indemnified party for any Taxes or Adjustments arising out of such asserted Tax liability or Adjustment, and (y) if the indemnifying party is not precluded from contesting the asserted Tax liability or Adjustment in any forum, but such failure to give prompt notice results in a monetary detriment to the indemnifying party, then any amount which the indemnifying party is otherwise required to pay the indemnified party pursuant to this Agreement shall be reduced by the amount of such detriment.

8.2 Control of Tax Contests.

(a) **General Rule.** Except as provided in Section 8.2(b), each party (or the appropriate member of their Group) shall have full responsibility, control and discretion in handling, settling or contesting any Tax Contest involving a Tax or Adjustment which relates to a Tax Return for which it is responsible for preparing and filing (or causing to be prepared and filed) pursuant to Section 3 of this Agreement. LMC shall have full responsibility, control and discretion in handling, settling or contesting any Tax Contest involving any AT&T TSA Liabilities.

(b) **DHC Participation Rights.** With respect to a Tax Contest of any Consolidated Return or Combined Return which involves a Tax or Adjustment for which DHC is liable pursuant to this Agreement, (i) DHC shall, at its own cost and expense, be entitled to participate in such Tax Contest, (ii) LMC shall keep DHC updated and informed, and shall consult with DHC, and (iii) LMC shall act in good faith with a view to the merits in connection with the Tax

Contest.

8.2 *Cooperation.* The indemnified party shall provide the party controlling any Tax Contest pursuant to Section 8.2 with all information relating to the indemnified party and its Subsidiaries which the party controlling the Tax Contest needs to handle, settle or contest the Tax Contest. At the request of the party controlling the Tax Contest, the indemnified party shall take any action (e.g., executing a power of attorney) that is reasonably necessary in order for the party controlling the Tax Contest to handle, settle or contest the Tax Contest. DHC shall assist LMC, and LMC shall assist DHC, in taking any remedial actions which are necessary or desirable to minimize the effects of any adjustment made by a Tax Authority. The indemnifying party shall reimburse the indemnified party for any reasonable out-of-pocket costs and expenses incurred in complying with this Section 8.3.

SECTION 9. Restriction on Certain Actions of DHC; Indemnity.

9.1 *Restrictive Covenants.*

(a) *General Restrictions.* DHC shall not, and shall cause the members of the DHC Group not to, take any action that, or fail to take any action the failure of which, (i) would be inconsistent with the Contribution and the Distribution qualifying, or preclude the Contribution and the Distribution from qualifying, as a tax-free reorganization described under Sections 368(a)(1)(D) and 355 of the Code (or any corresponding provisions of any successor statute) or (ii) would cause LMC, any Person that is a Subsidiary of LMC immediately prior to the Distribution, or the shareholders of LMC that receive DHC stock in the Distribution to recognize gain or loss, or otherwise include any amount in income, as a result of the Contribution and/or the Distribution for U.S. federal income tax purposes (except, in the case of the shareholders of LMC, with respect to gain or loss recognized with respect to cash received in lieu of fractional shares of DHC stock).

(b) *Restricted Actions Relating to Cox and Newhouse.* Without limiting the provisions of Sections 9.1(a) or (c) hereof, from the date hereof until the day after the first anniversary of the Distribution Date, DHC shall not, and shall cause the members of the DHC Group not to, enter into (or give any Person or Persons the implicit or explicit permission to enter into), or permit any of its officers or directors to enter into (or permit any of its officers or directors to give any Person or Persons the implicit or explicit permission to enter into) any agreement, understanding, arrangement or substantial negotiations with any Person or Persons with respect to any transaction or series of transactions pursuant to which Cox, Newhouse or any Tax-Related Party of Cox or Newhouse would acquire directly or indirectly (as determined by reference to Section 355(e) of the Code, taking into account applicable constructive ownership rules and any final or temporary Treasury Regulations promulgated thereunder) (i) any shares of capital stock or other equity interests of DHC, (ii) any instrument that is treated for purposes of Section 355(e) of the Code (taking into account any final or temporary Treasury Regulations promulgated thereunder) as an option to acquire any shares of capital stock or other equity interests of DHC or (iii) any Long Position with respect to any shares of capital stock or other equity interests of DHC.

(c) *Restricted Actions Relating to the Tax Materials.* Without limiting the provisions of Section 9.1(a) hereof, DHC shall not, and shall cause the members of the DHC Group not to, take any action that, or fail to take any action the failure of which, would be reasonably likely to be inconsistent with, or cause any Person to be in breach of, any representation or covenant made in the Tax Materials.

(d) *Permitted Actions.* Any action otherwise prohibited by this Section 9.1 shall nevertheless be permitted if:

(1) LMC has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith, that such action would not (i) preclude the Contribution and the Distribution from qualifying as a tax-free reorganization described under Sections 368(a)(1)(D) and 355 of the Code (or any corresponding provisions of any successor statute) or (ii) cause LMC, any Person that is a Subsidiary of LMC immediately prior to the Distribution, or the shareholders of LMC that receive DHC stock in the Distribution to recognize gain or loss, or otherwise include any amount in income, as a result of the Contribution and/or the Distribution for U.S. federal income tax purposes (except, in the case of the shareholders of LMC, with respect to gain or loss recognized with respect to cash received in lieu of fractional shares of DHC stock), and LMC has delivered its written consent to DHC; or

(2) a ruling has been obtained from the IRS, in form and substance reasonably satisfactory to LMC, that such action would not (i) preclude the Contribution and the Distribution from qualifying as a tax-free reorganization described under Sections 368(a)(1)(D) and 355 of the Code (or any corresponding provisions of

any successor statute) or (ii) cause LMC, any Person that is a Subsidiary of LMC immediately prior to the Distribution, or the shareholders of LMC that receive DHC stock in the Distribution to recognize gain or loss, or otherwise include any amount in income, as a result of the Contribution and/or the Distribution for U.S. federal income tax purposes (except, in the case of the shareholders of LMC, with respect to gain or loss recognized with respect to cash received in lieu of fractional shares of DHC stock); or

(3) DHC provides LMC with an unqualified opinion of nationally recognized tax counsel, in form and substance satisfactory to LMC in its sole and absolute discretion, that such action would not (i) preclude the Contribution and the Distribution from qualifying as a tax-free reorganization described under Sections 368(a)(1)(D) and 355 of the Code (or any corresponding provisions of any successor statute) or (ii) cause LMC, any Person that is a Subsidiary of LMC immediately prior to the Distribution, or the shareholders of LMC that receive DHC stock in the Distribution to recognize gain or loss, or otherwise include any amount in income, as a result of the Contribution and/or the Distribution for U.S. federal income tax purposes (except, in the case of the shareholders of LMC, with respect to gain or loss recognized with respect to cash received in lieu of fractional shares of DHC stock), and LMC has delivered its written consent to DHC. In determining whether an opinion is satisfactory, LMC may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion, and LMC may determine that no opinion would be acceptable to LMC.

9.2 *Indemnity.* DHC agrees to indemnify and hold harmless each member of the LMC Group and their respective directors, officers, employees, affiliates, agents, successors and assigns (the "LMC Indemnitees") from and against any and all Losses, other than any Adjustments for which indemnification is provided pursuant to Section 2.5(b), resulting from, based upon, arising out of or otherwise in respect of, and all claims, actions, suits, proceedings, demands, judgments, assessments, fines, interest, penalties, costs and expenses (including without limitation attorneys' fees and expenses) incident or relating to or resulting from, any breach by DHC or any other member of the DHC Group of any of the covenants set forth in Section 9.1.

9.3 *Indemnification Procedures.* The procedure for indemnification shall be as follows:

(a) The LMC Indemnitee (or LMC on behalf of all LMC Indemnitees) claiming indemnification under this Section 9 shall promptly give written notice to DHC of any pending or threatened claim, action, suit, investigation or proceeding brought by a third party (a "Third Party Claim"), specifying (i) the factual basis for such claim, including copies of any documents relating to the claim, and (ii) the amount of the claim. Such notice shall be given by such LMC Indemnitee (or by LMC on behalf of all LMC Indemnitees) within a reasonable period of time after notice thereof was received by such LMC Indemnitee, but any failure to give timely notice shall not affect the indemnities given hereunder. The LMC Indemnitee (or LMC on behalf of all LMC Indemnitees) shall have the right to control any Third Party Claim; *provided however*, that (x) DHC shall, at its own cost and expense, be entitled to participate in such Third Party Claim, (y) the LMC Indemnitee (or LMC on behalf of all LMC Indemnitees) shall keep DHC updated and informed, and shall consult with DHC, and (z) the LMC Indemnitee (or LMC on behalf of all LMC Indemnitees) shall act in good faith with a view to the merits in connection with such Third Party Claim.

(b) In the event any LMC Indemnitee should have a claim against DHC under this Section 9 that does not involve a third party action, such LMC Indemnitee (or LMC on behalf of all LMC Indemnitees) shall as promptly as practical notify DHC of such claim, describing such claim and the factual basis thereof, the amount of such claim (if known) and the method of computation of such amount, all with reasonable particularity. Any failure to give such timely notice shall not affect the indemnities given hereunder.

(c) The provisions of this Section 9 are intended to be for the benefit of, and shall be enforceable by, each LMC Indemnitee and its successors in interest.

SECTION 10. General Provisions.

10.1 *Termination.* This Agreement shall terminate at such time as all obligations and liabilities of the parties hereto have been satisfied. The obligations and liabilities of the parties arising under this Agreement shall continue in full force and effect until all such obligations have been met and such liabilities have been paid in full, whether by expiration of time, operation of law, or otherwise. The obligations and liabilities of each party are made for the benefit of, and shall be enforceable by, the other parties and their successors and permitted assigns.

10.2 *Expenses.* Except as otherwise expressly provided for herein, each party and its affiliates shall bear their own

expenses incurred in connection with preparation of Tax Returns and other matters related to Taxes under the provisions of this Agreement for which they are liable.

10.3 Breach of Agreement. LMC shall indemnify and hold harmless each member of the DHC Group and their respective directors, officers, employees, affiliates, agents, successors and assigns (the "DHC Indemnitees") from and against any Losses incurred by the DHC Indemnitees by reason of a breach by any member of the LMC Group of its obligations or covenants hereunder, and DHC shall indemnify and hold harmless each of the LMC Indemnitees from and against any Losses incurred by the LMC Indemnitees by reason of a breach by any member of the DHC Group of its obligations or covenants hereunder; in each case including, without limitation, the costs and expenses of any and all actions relating to, and the costs and expenses of attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the enforcement of rights hereunder and/or any investigation relating thereto.

10.4 Disputes and Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO APPLIED TO CONTRACTS MADE AND WHOLLY PERFORMED IN SUCH STATE. Each of the parties hereto (i) will submit itself to the exclusive jurisdiction of any United States federal court located in the State of Colorado or any Colorado State court having subject matter jurisdiction in the event any dispute arises out of this Agreement, (ii) agrees that venue will be proper as to proceedings brought in any such court with respect to such a dispute, (iii) will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (iv) agrees to accept service of process at its address for notices pursuant to this Agreement in any such action or proceeding brought in any such court.

10.5 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT. THIS SECTION 10.5 HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS SHALL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO (OR ASSIGNMENTS OF) THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL (WITHOUT A JURY) BY THE COURT.

10.6 Notices. All notices and other communications hereunder shall be in writing and shall be delivered in person, by telecopy, by express or overnight mail delivered by a nationally recognized air courier (delivery charges prepaid), or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

(a) If to LMC to:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112

Attn: Albert Rosenthaler
Facsimile: (720) 875-5320

(b) If to DHC to:

Discovery Holding Company
12300 Liberty Boulevard
Englewood, Colorado 80112

Attn: Albert Rosenthaler
Facsimile: (720) 875-5320

or to such other address as the party to whom notice is given may have previously furnished to the others in writing in the

manner set forth above. Any notice or communication delivered in person shall be deemed effective on delivery or when delivery is refused. Any notice or communication sent by telecopy or by air courier shall be deemed effective on the first business day at the place at which such notice or communication is received following the day on which such notice or communication was sent.

10.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. The Agreement may be delivered by facsimile transmission of a signed copy thereof.

10.8 Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except with respect to a merger of a party, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed; *provided, however*, that LMC and DHC may assign their respective rights, interests, duties, liabilities and obligations under this Agreement to any other member of their Group, but such assignment shall not relieve LMC or DHC, as the assignor, of its obligations hereunder. In the event of any sale, assignment, transfer or other disposition of all or substantially all the assets of DHC and its controlled affiliates (on a consolidated basis) to any person or group (collectively, a "DHC Asset Successor"), in one or a series of related transactions, or any merger, consolidation, statutory share exchange, conversion of DHC from a corporation to a limited liability company or other legal entity or other transaction affecting DHC, that results in the exchange or conversion of equity securities of DHC for or into equity securities or other consideration of (a) the successor to DHC in such transaction (a "DHC Successor Entity") or (b) any Person of which DHC or such successor is a controlled affiliate after giving effect to such transaction (a "DHC Successor Parent" and, together with any DHC Asset Successor and/or DHC Successor Entity, the "DHC Successors"), then (i) all references herein to DHC shall mean and refer to such DHC Successors, as applicable, (ii) all references herein to capital stock or other equity interests of DHC shall mean and refer to the equivalent securities of or ownership interest in the DHC Successor, as applicable, (iii) DHC shall cause each such DHC Successor, as applicable, to sign a counterpart of this Agreement or otherwise agree to be bound hereby, to the same extent as DHC, as if such Person were a signatory hereto, and (iv) each such DHC Successor, as applicable, shall become a party to this Agreement, and be bound hereby, to the same extent as DHC, as if such Person were a signatory hereto, whether or not such Person signs a counterpart of this Agreement or enters into a joinder agreement or similar instrument with respect hereto.

10.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Amendment. This Agreement may not be amended or modified in any respect except by a written agreement signed by all of the parties hereto.

10.11 Effective Date. This Agreement shall become effective on the date recited above on which the parties entered into this Agreement.

10.12 Change in Law. Any reference to a provision of the Code or any other Tax Law shall include a reference to any applicable successor provision or law.

10.13 Authorization, Etc. Each of the parties hereto hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such party, that this Agreement constitutes a legal, valid and binding obligation of each such party and that the execution, delivery and performance of this Agreement by such party does not contravene or conflict with any provision of law or of its charter or bylaws or any agreement, instrument or order binding such party.

10.14 No Third Party Beneficiaries. Except as provided in Sections 9.2 and 10.3 of this Agreement, this Agreement is solely for the benefit of LMC, DHC and their Subsidiaries and is not intended to confer upon any other Person any rights or remedies hereunder. Notwithstanding anything in this Agreement to the contrary, this Agreement is not intended to confer upon any DHC Indemnitees any rights or remedies against DHC hereunder, and this Agreement is not intended to confer upon any LMC Indemnitees any rights or remedies against LMC hereunder.

10.15 Entire Agreement. This Agreement embodies the entire understanding among the parties relating to its subject matter and supersedes and terminates any prior agreements and understandings among the parties with respect to such subject

matter, and no party to this Agreement shall have any right, responsibility, obligation or liability under any such prior agreement or understanding. Any and all prior correspondence, conversations and memoranda are merged herein and shall be without effect hereon. No promises, covenants or representations of any kind, other than those expressly stated herein, have been made to induce either party to enter into this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the respective officers as of the date set forth above.

LIBERTY MEDIA CORPORATION

By: _____
Name:
Title:

DISCOVERY HOLDING COMPANY

By: _____
Name:
Title:

QuickLinks

FORM OF TAX SHARING AGREEMENT BETWEEN LIBERTY MEDIA CORPORATION AND DISCOVERY
HOLDING COMPANY

*** Slip Sheet ***

EX-10.5 11 a2158723zex-10_5.htm EX 10.5

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.5

**FOURTH AMENDMENT TO
SHAREHOLDERS AGREEMENT
OF DISCOVERY COMMUNICATIONS, INC.**

FOURTH AMENDMENT TO SHAREHOLDERS AGREEMENT, dated as of June 23, 2003 (this "Fourth Amendment"), by and among Discovery Communications, Inc., a Delaware close corporation (the "Company"), Cox Communications Holdings, Inc., a Delaware corporation (as successor in interest to Cox Discovery, Inc., "Cox"), Advanced Newhouse Programming Partnership, a New York general partnership (as successor in interest to Newhouse Broadcasting Corporation, "Newchannels"), LMC Discovery, Inc., a Colorado corporation (formerly known as TCI Cable Education, Inc., "TCID"), Liberty Animal, Inc., a Delaware corporation (as successor in interest to LMC Animal Planet Inc., "LAI"), for the purposes stated in the First Amendment to the Shareholders Agreement (as defined below) for so long as LAI owns a Partnership Interest, and John S. Hendricks ("Hendricks").

RECITALS

A. The Company, Cox, Newchannels, TCID and Hendricks (and for the purposes stated in the First Amendment thereto, LAI) are parties to that certain Shareholders Agreement, dated as of November 30, 1991, of the Company (as the same has been amended prior to the date hereof, the "Shareholders Agreement"). Unless otherwise defined herein, capitalized terms used herein that are defined in the Shareholders Agreement shall have the same meanings when used herein as therein defined.

B. Simultaneously with the execution and delivery by the parties hereto of this Fourth Amendment, the Company has redeemed from Hendricks all of the Capital Stock owned by Hendricks (the "Hendricks Shares"), under and pursuant to the terms of the Amended and Restated Option Agreement, dated as of September 29, 2000, between the Company and Hendricks (the "Option Agreement") and as set forth in that certain Redemption Agreement, dated as of even date herewith, between the Company and Hendricks (the "Redemption Agreement").

C. In addition, simultaneously with the execution and delivery of this Fourth Amendment, and pursuant to the consent by and waiver of each of TCID and Cox to the transactions referred to above, Hendricks is purchasing from Newchannels (the "Hendricks Purchase") one share of the Class A Common Stock, par value \$0.01 per share, of the Company (the "NH Purchased Share"), pursuant to that certain Stock Purchase Agreement, dated as of even date herewith (the "Stock Purchase Agreement"), by and among Hendricks, Newchannels, Cox, TCID and the Company. Pursuant to the Stock Purchase Agreement, Hendricks is also granting to Newchannels a proxy to vote the NH Purchased Share, and Hendricks and Newchannels are each granting to the other certain rights to put and call the NH Purchased Share.

D. To reflect the foregoing, and in connection with the realignment of the ownership interests held by the Stockholders as a result of the transactions contemplated by the Redemption Agreement and the Hendricks Purchase, in accordance with Section 10.03 of the Shareholders Agreement, the parties hereto desire to amend the Shareholders Agreement as set forth below.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

AMENDMENTS TO AGREEMENT

1. The preamble of the Shareholders Agreement is hereby deleted in its entirety and the following inserted in lieu thereof:

"This SHAREHOLDERS AGREEMENT made as of November 30, 1991 (the "Agreement") by and among Discovery Communications, Inc., a Delaware corporation (the "Company", which term shall include CEN, as the predecessor in interest of the Company), Cox Communications Holdings, Inc., a Delaware corporation, as

successor in interest to Cox Discovery, Inc., a Delaware corporation ("Cox"), Advance Newhouse Programming Partnership, a New York general partnership, as successor in interest to Newchannels TDC Investments, Inc., a New York corporation ("Newchannels"), LMC Discovery, Inc., f/k/a TCI Cable Education, Inc., a Colorado corporation ("TCID") and John S. Hendricks ("Hendricks"), and for the purposes stated in the First Amendment to this Agreement only, Liberty Animal, Inc., a Delaware corporation ("LAI"), as successor in interest to LMC Animal Planet Inc., Cox, Newchannels, and TCID and their permitted assignees and transferees are referred to herein collectively as the "Stockholders" and individually as a "Stockholder"; *provided, however*, that, so long as LAI or any of its Affiliates owns any Partnership Interest (as defined herein), LAI and its permitted assignees and transferees will be deemed to be a "Stockholder" for purposes of Article VI and any Transfer of a Partnership Interest by any Stockholder."

2. Article I of the Shareholders Agreement is hereby amended to delete the definitions of "Capital Stock", "Immediate Family" and "Shares" therefrom and to insert the following definitions of "Capital Stock", "Immediate Family" and "Shares" in lieu thereof, and Article I is further amended to insert therein the following additional definitions:

"Affiliated Persons" shall have the meaning set forth in Section 3.01(b).

"Arbitrator" shall have the meaning set forth in Section 3.03(a).

"Capital Stock" shall mean any of the Class A Stock, the Class B Stock and Seller's Stock Purchase Agreement Rights.

"Deadlock" shall have the meaning set forth in Section 3.03(a).

"Deadlock Matter" shall have the meaning set forth in Section 3.03(a).

"Fourth Amendment" shall mean the Fourth Amendment to this Agreement, dated as of June 23, 2003, by and among the Stockholders, LAI, Hendricks and the Company.

"Hendricks Purchase" shall have the meaning set forth in Recital C to the Fourth Amendment.

"LAI" shall have the meaning set forth in the preamble to this Agreement.

"NH Proxy" shall have the meaning set forth in Section 2.04.

"NH Purchased Share" shall have the meaning set forth in Recital C to the Fourth Amendment.

"Immediate Family" shall mean, with respect to Hendricks and to any Stockholder who is an individual, the spouse, the siblings (by birth or adoption), and any lineal ascendants and descendants thereof and of the spouse and siblings (by birth or adoption) thereof.

"Seller's Stock Purchase Agreement Rights" shall mean all the rights and obligations of Seller (as defined in the Stock Purchase Agreement), which may be assigned by Seller in accordance with Section 5.08 of the Stock Purchase Agreement.

"Shares" shall mean any and all Capital Stock and any and all other equity securities or Company Convertible Securities of the Company which any Stockholder or any Affiliate thereof now holds or has the right to acquire or which any Stockholder or any Affiliate thereof hereafter acquires or has the right to acquire, irrespective of the manner of such acquisition, including, without limitation, any Capital Stock, equity securities or Company Convertible Securities of the Company (whether issued by the Company or otherwise) acquired by reason of any split-up, recapitalization, preemptive rights, stock dividend, combination, conversion or exchange of shares of Capital Stock or other equity securities or Company Convertible Securities of the Company, or acquired by reason of any purchases by, or transfer or issuance to, any such Stockholder or any Affiliate thereof, together with any Partnership Interest of such Stockholder or Affiliate.

"Stock Purchase Agreement" shall mean the Stock Purchase Agreement, dated as of June 23, 2003, among Hendricks, Newchannels, Cox, TCID and the Company.

3. Section 2.01 of the Shareholders Agreement is hereby deleted in its entirety and the following Section 2.01 inserted in lieu thereof:

"2.01 *Management of the Company*. The Company shall be managed by the Stockholders pursuant to the provisions of the General Corporation Law of the State of Delaware, and specifically Section 351 thereof, and in accordance with the terms and provisions of this Agreement."

4. Section 2.03 of the Shareholders Agreement is hereby deleted in its entirety and the following Section 2.03 inserted in lieu thereof:

"Except as expressly authorized by this Agreement, including without limitation by Section 2.04 below, none of the parties hereto shall enter into a voting trust or voting agreement with any other Person, give a proxy to any other Person, or otherwise agree with any other Person to restrict or limit the power to vote its Shares. Subject to Section 10.14, this Section shall not be deemed to preclude any Stockholder or any of such Stockholder's officers or agents from freely discussing at any time affairs of the Company with any other Person and disclosing to such Person the position of such Stockholder with respect to any issue concerning the Company, provided that, except as expressly authorized by this Agreement, including, without limitation, as authorized by Section 2.04 below, such Stockholder does not enter into a binding agreement concerning its voting with respect to such affairs or issues. Except as expressly authorized by this Agreement, the Arbitrator, if any, shall not enter into a voting trust or voting agreement with any other Person, give a proxy to any other Person, or otherwise agree with any other Person to restrict or limit the power to make determinations as Arbitrator pursuant to Section 3.03(a). Subject to Section 10.14, this Section shall not be deemed to preclude the Arbitrator, if any, from freely discussing at any time affairs of the Company with any Person and disclosing to such Person the position of the Arbitrator with respect to any issue concerning a Deadlock Matter, provided that, except as expressly authorized by this Agreement, the Arbitrator does not enter into a binding agreement concerning his/her determinations as Arbitrator pursuant to Section 3.03(a) with respect to such affairs or issues."

5. Article II of the Shareholders Agreement is hereby further amended to insert therein the following Sections 2.04 and 2.05:

"2.04 *Hendricks Proxy*. Notwithstanding Section 2.03 above, upon the acquisition by Hendricks from Newchannels of one Share of the Class A Stock (the "NH Purchased Share"), under and pursuant to the terms of the Stock Purchase Agreement simultaneously with the execution and delivery of the Fourth Amendment, Hendricks shall give to Newchannels a proxy to vote the NH Purchased Share (the "NH Proxy") at any time and from time to time in accordance with the terms of the Stock Purchase Agreement. Unless earlier terminated in accordance with the terms of the Stock Purchase Agreement, the NH Proxy shall be and remain in effect for so long as Hendricks shall be the record owner of the NH Purchased Share. Newchannels may assign the NH Proxy only in accordance with the terms of the Stock Purchase Agreement.

"2.05 *Deemed Share of Newchannels*. Prior to the exercise of the "Put" or "Call" under and as such terms are defined in the Stock Purchase Agreement, the books and records of the Company will reflect that Hendricks owns of record the NH Purchased Share. Notwithstanding such record ownership of the NH Purchased Share, for all purposes of this Agreement, (i) Newchannels will be deemed to be the beneficial owner of the NH Purchased Share, and (ii) the Company will be entitled to rely upon any and all written directions and instructions from Newchannels regarding the exercise of, or failure to exercise, any and all rights and benefits associated with the NH Purchased Share, and other than a direction with respect to an assignment of record ownership made in accordance with the Stock Purchase Agreement, the Company shall not rely on or follow any such written directions or instructions from Hendricks with respect to the NH Purchased Share. So long as Hendricks is the record owner of the NH Purchased Share, (x) no party hereto shall be prohibited or otherwise restricted in any manner from making any public communication (written or oral) that Hendricks is a stockholder of the Company (notwithstanding that Hendricks has ceased to be the beneficial owner of any Capital Stock) and (y) unless otherwise required by law, no party hereto shall disclose in any public communication that Hendricks is anything less than a full stockholder of the Company (notwithstanding that Hendricks has ceased to be the beneficial owner of any Capital Stock).

6. Section 3.01(b) of the Shareholder Agreement is hereby deleted in its entirety and the following Section 3.01 (b) inserted in lieu thereof:

"b. Any transaction, except as provided in Section 3.02(i), entered into subsequent to the date hereof between (x) the Company or any of its Subsidiaries, and (y) either (i) a Stockholder or an Affiliate thereof, or, if applicable, a member of the Immediate Family thereof, or (ii) Hendricks, an Affiliate thereof or a member of the Immediate Family thereof (the Persons specified in (i) and (ii) of this clause (y) the "Affiliated Persons"), including, without limitation, the amendment of any currently outstanding agreement between the Company or any of its Subsidiaries and an Affiliated Person, other than an Affiliation Agreement with any of the MSOs or an Affiliate thereof as long as the Affiliation Agreement of each MSO or its Affiliate is substantially identical (except for differences in the effective rates charged to each MSO or its Affiliate provided such differences are based upon the number of Subscribers of such MSO and its Affiliates) to the Affiliation Agreement of each other MSO or its Affiliate; provided that on and after such time as Hendricks ceases to be the Arbitrator hereunder, the provisions of this Section 3.01 shall cease to apply to any transactions between the Company or any of its Subsidiaries, on the one hand, and Hendricks or any Affiliated Person thereof on the other hand."

7. Section 3.01(c) of the Shareholders Agreement is hereby deleted in its entirety and the following Section 3.01 (c) inserted in lieu thereof:

"(i) the election or the removal (other than for cause) of the Chairman and Chief Executive Officer of the Company, or (ii) the election or the removal (other than for cause) of the chief operating officer of the Company or of any operating division or Subsidiary thereof, provided that if at the time of such election or removal of any such chief operating officer, Hendricks is the Chief Executive Officer of the Company, such election or removal of any such chief operating officer shall not be effective unless Hendricks shall have consented in writing to such election or removal (other than for cause) of any such chief operating officer;"

8. Section 3.01 of the Shareholders Agreement is hereby amended by deleting the "or" at the end of subsection (p), by deleting the period at the end of subsection (q) and inserting ";" in lieu thereof, and by adding after subsection (q) the following new subsections (r), (s) and (t):

- "r. the removal of an individual from his/her position as the Arbitrator and/or the designation of an individual as the Arbitrator;
- s. the appointment of the Arbitrator as a member of, and the extension of an invitation to the Arbitrator to attend, any meeting of any committee of the Stockholders; or
- t. notwithstanding anything contained in Section 3.02(f), (i) any amendment to, or modification of, the Unit Appreciation and Incentive Agreement, dated as of April 22, 1994, between the Company and Hendricks, and (ii) the grant of or extension to Hendricks of any shares of Capital Stock, phantom equity or unit appreciation plan rights or benefits under any such unit appreciation plan or phantom equity plan."

9. Article III of the Shareholders Agreement is hereby further amended by inserting the following Section 3.03 at the end of Article III:

"3.03 Deadlock Resolution.

(a) In the event that any action requiring approval by the holders of a majority of the issued and outstanding shares of the Company entitled to vote thereon pursuant to Section 3.02 of this Agreement is proposed, and such action is approved by the holders of fifty percent (50%) (but not more than fifty percent (50%)) of the issued and outstanding shares of the Company entitled to vote thereon, and is therefore not initially approved pursuant to Section 3.02 of this Agreement (a "Deadlock"), the Stockholders agree that the proposed action which resulted in such Deadlock (the "Deadlock Matter") will be submitted to Hendricks, in his capacity as the Arbitrator, as specified in this Section 3.03(a), or if Hendricks is no longer the Arbitrator, the individual, if any, who has been designated by the Stockholders in accordance with Section 3.01(r) as the arbitrator for Deadlock Matters (Hendricks, or any such successor acting in such capacity, the "Arbitrator") under this Section 3.03. Any Deadlock Matter will be resolved at a meeting of the Stockholders. In the event the Deadlock arises with respect to any matter upon which the written consent of Stockholders is sought, either the Company (to the extent the Chairman, President or General Counsel of the Company has actual knowledge of the proposed written consent request and the resulting Deadlock), or the Stockholder seeking such consent, as applicable, shall notify the Chairman of the Deadlock and the Chairman shall call and the Stockholders shall attend, a meeting of Stockholders as soon thereafter as is reasonably practical, at which meeting such Deadlock Matter will be proposed and discussions related thereto shall be conducted among the Stockholders and the Arbitrator with respect thereto. At the meeting of Stockholders (at which the Deadlock arose, or

in the event the Deadlock arose in connection with a solicitation of written consents, at the Stockholder meeting held to address such Deadlock) and following such discussions, if applicable, the Arbitrator shall, at his/her option, but without obligation, approve the proposed action, not approve the proposed action or determine not to take any position with respect to the proposed action. In the event that the Arbitrator approves the proposed action, then such action shall be deemed approved and adopted by the Company for all purposes of Section 3.02 of this Agreement, the Certificate of Incorporation and Bylaws of the Company and the General Corporation Law of the State of Delaware. In the event that the Arbitrator does not approve the proposed action or determines not to take any position with respect to the proposed action, then such proposed action shall be deemed not approved for purposes of Section 3.02 of this Agreement.

(b) Any determination made (or election not to make a determination) by the Arbitrator pursuant to this Section 3.03 will be final and binding upon the Company and the Stockholders. Nothing herein will require the Arbitrator to approve or disapprove any Deadlock Matter, and the Stockholders expressly acknowledge and agree that the Arbitrator may, from time to time, elect not to take any position and not to make any determination with respect to a Deadlock Matter.

(c) Hendricks, as Chairman of the Company as of the date of the Fourth Amendment, is hereby designated by all of the Stockholders to serve as the initial Arbitrator until such time as (x) he ceases to be Chairman of the Company, (y) he voluntarily resigns from the position of Arbitrator (which resignation may be effected by Hendricks at any time with prior written notice to the Company and the Stockholders (which notice will be effective when given), without any liability to or obligation of, Hendricks, and without the resignation by Hendricks from any other position with the Company held at such time); or (z) he is removed as Arbitrator in accordance with the provisions of Section 3.01(r). In order for any Person thereafter to be selected as Arbitrator, such Person must be selected as Arbitrator in accordance with Section 3.01(r) of this Agreement. The Arbitrator need not be a holder of any Shares.

(d) In the event there is a vacancy in the position of Arbitrator, the provisions of this Section 3.03 shall not be applicable to any Deadlock Matter occurring during the period of such vacancy.

(e) The provisions of this Section 3.03 will be effective notwithstanding any personal or financial interest of the Arbitrator in any Deadlock Matter that concerns actions or matters described in Sections 3.02(d) and 3.02(f).

(f) In connection with all acts and/or omissions taken by the Arbitrator pursuant to this Section 3.03, the Arbitrator will be entitled to all of the benefits and protections of the indemnification and other provisions set forth in Article 8 of the Company's Certificate of Incorporation, as amended, and Article 8 of the Company's Bylaws, as amended, as if the Arbitrator were a stockholder of the Company and as if any determination made by the Arbitrator with respect to a Deadlock Matter constituted an action taken by a Stockholder with respect to Shares voted thereby. The Stockholders shall not take or bring any action, claim or proceeding against the Arbitrator, nor permit the Company to bring any such action or proceeding, or make any claim or demand, directly or indirectly, against the Arbitrator, nor cause or permit the Company to bring any such claim or demand against the Arbitrator, based upon, as a result of or in connection with, the acts or omissions of the Arbitrator, including, without limitation, the Arbitrator's unconditional right to resign from such position at any time without liability or obligation provided that the foregoing agreement by the Stockholders to not take and to not permit the Company to take or bring any such action, claim or proceeding against the Arbitrator shall not be effective in the event of any breach by the Arbitrator of the covenant in the third sentence of Section 2.03.

(g) The Arbitrator will be entitled to receive notice of and to attend all meetings of Stockholders and to receive all written materials prepared for or distributed to the Stockholders at or prior to such meetings at the same time such materials are distributed to the Stockholders. The Arbitrator will be entitled to participate in all discussions among the Stockholders occurring at any meeting of Stockholders. Notwithstanding the foregoing, the Arbitrator will not be entitled to receive notice of, or attend or participate in, any meeting of any committee of the Stockholders unless the Stockholders appoint or invite the Arbitrator to such committee in accordance with Section 3.01(s)."

(h) Article VI of the Shareholders Agreement shall be amended by deleting therefrom Section 6.01(a) and inserting the following Section 6.01(a) in lieu thereof:

"(a) There shall be no Transfer by any Stockholder of any Shares in any manner or by any means whatsoever, except for the following Transfers which shall be permitted, provided that the Transfer is made in accordance with the applicable requirements of this Article VI:

(i) any Transfer by a Stockholder of Shares to an Affiliate thereof;

(ii) any Transfer by a Stockholder of Shares pursuant to a Third Party Offer in compliance with the provisions of Section 6.02;

(iii) any Transfer of Shares by Cox or any of its Affiliates to Newchannels or any of its Affiliates (provided that Newchannels or any of its Affiliates is then a Stockholder), or any Transfer of Shares by Newchannels or any of its Affiliates to Cox or any of its Affiliates (provided that Cox or any of its Affiliates is then a Stockholder); provided, that a Transfer resulting in either (x) Cox together with its Affiliates, or (y) Newchannels together with its Affiliates holding in excess of fifty percent (50%) of the Capital Stock shall not be permitted under this Section 6.01(a)(iii); and

(iv) any Transfer of the NH Purchased Share by Hendricks to Newchannels or any of its Affiliates, or to any transferee of the rights of Newchannels under the Stock Purchase Agreement, in each case in accordance with the terms and conditions of the Stock Purchase Agreement."

11. Article VI of the Shareholders Agreement is hereby further amended by deleting from Section 6.02(a) the first parenthetical clause in the first sentence thereof and inserting the following in lieu thereof:

"(other than a Transfer described in subparagraph (i), subparagraph (iii) or subparagraph (iv) of Section 6.01 (a))."

12. Article VI of the Shareholders Agreement is hereby further amended by deleting the first sentence of Section 6.02 (b) and inserting in lieu thereof the following:

"(b) So long as (i) Cox or any of its Affiliates, and (ii) Newchannels or any of its Affiliates are then Stockholders, any proposed Transfer of Offered Shares under Section 6.02(a) by either Cox or any of its Affiliates or Newchannels or any of its Affiliates (other than Transfers under Section 6.01(a)(i), Transfers under Section 6.01(a)(ii) and Transfers under Section 6.01(a)(iv)) shall be subject to an initial right of first refusal by whichever of Cox or any of its Affiliates and Newchannels or any of its Affiliates is not the Transferor."

13. Article VI of the Shareholders Agreement is hereby further amended by deleting Section 6.05 therefrom in its entirety and inserting the following Section 6.05 in lieu thereof:

"6.05 *Restrictions on Voting Stock Ownership.* Unless Shares have been acquired in compliance with the provisions of Article VI or VII, in no event shall (i) TCID together with its Affiliates, hold in excess of fifty percent (50%) of the Capital Stock, (ii) Cox, together with its Affiliates, hold in excess of fifty percent (50%) of the Capital Stock, (iii) Newchannels, together with its Affiliates, hold in excess of fifty percent (50%) of the Capital Stock, or (iv) Cox, Cox's Affiliates, Newchannels and Newchannels' Affiliates, collectively, hold in excess of fifty percent (50%) of the Capital Stock."

14. Article VI of the Shareholders Agreement is hereby further amended by deleting Section 6.07 in its entirety, and inserting in lieu thereof "Reserved".

15. Section 10.09 to the Shareholders Agreement is hereby amended by deleting the word "Stockholder" in the third sentence and inserting in lieu thereof "party to this Agreement."

16. Section 10.12 of the Shareholders Agreement is hereby amended by deleting the second sentence therefrom and inserting the following in lieu thereof:

"If any Stockholder or LAI shall no longer own any Shares, such Stockholder or LAI, as applicable, shall thereupon cease to have any rights or obligations under this Agreement, except to the extent that the same has violated any of the terms or provisions hereof and except as otherwise provided herein. If Hendricks shall be neither Chairman of the Company nor the Arbitrator, he shall thereupon cease to have any rights or obligations under this Agreement, except to the extent that the same has violated any of the terms or provisions hereof and except as otherwise provided herein."